

Voluntary Report – Voluntary - Public Distribution

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Country: Bangladesh

Post: Dhaka

Report Category: Grain and Feed, Oilseeds and Products, Sugar, Agricultural Situation, Climate Change/Global Warming/Food Security

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Report Highlights:

This is a biweekly report outlining the prices of agricultural commodities in Bangladesh, as well as major trade and policy updates.

Rice Prices Decline

After holding steady for the past few months, rice prices declined slightly during the week of January 29, 2023. The coarse rice price dropped to BDT 50 (\$0.48) per kilogram, down about 4 percent from the previous week, as the newly harvested *Aman* rice increased supply in the local market (Figure 1).

The price of medium quality rice also dropped 4 percent from the previous week to BDT 58 (\$0.55) per kilogram, while the price of high-quality rice remained unchanged at BDT 75 (\$0.71) per kilogram.

Figure 1: Bangladesh – Monthly Coarse Rice Average Price (2018-2023)



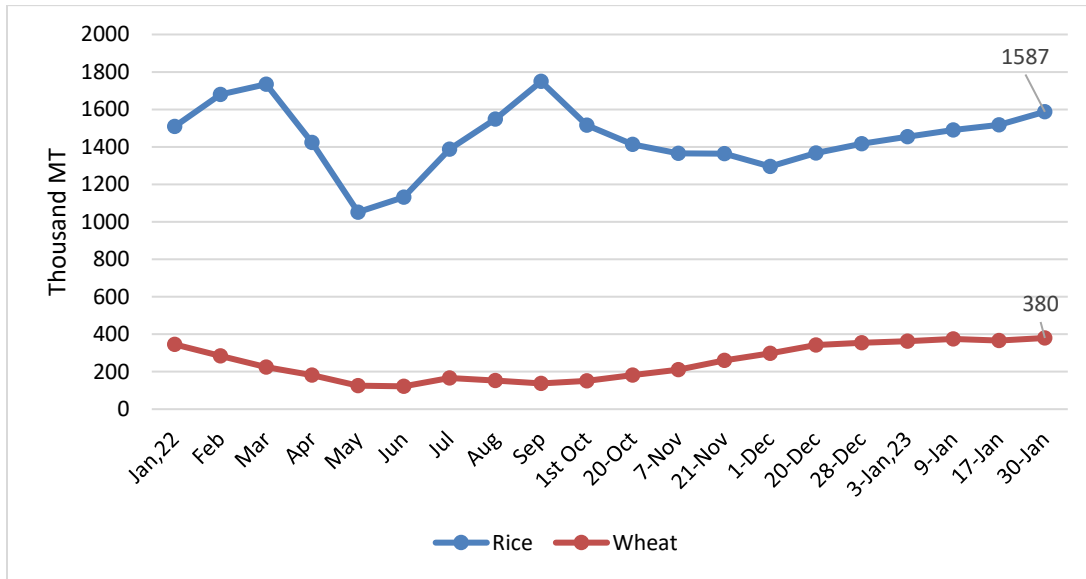
Source: Trading Corporation of Bangladesh (TCB)

Note: Exchange Rate USD \$1.00 = BDT 105.0

Wheat Flour (*Aata* and *Maida*) Prices Drop Slightly, but Remain High

This week, the prices of all types of unpacked wheat flour fell slightly, though they still remain high. According to the TCB, the price of unpacked coarse wheat flour (*aata*) decreased 3 percent from the previous week to BDT 60 (\$0.57) per kilogram (Figure 2). The price of unpacked fine quality wheat flour (*maida*) also dropped 3 percent to BDT 70 (\$0.67) per kilogram. However, the prices of packed *atta* and *maida* remained at BDT 75 (\$0.71) per kilogram and BDT 80 (\$0.76) per kilogram, respectively, the same as the previous week.

Figure 3: Monthly Stocks of Rice and Wheat in Public Granaries in 2022



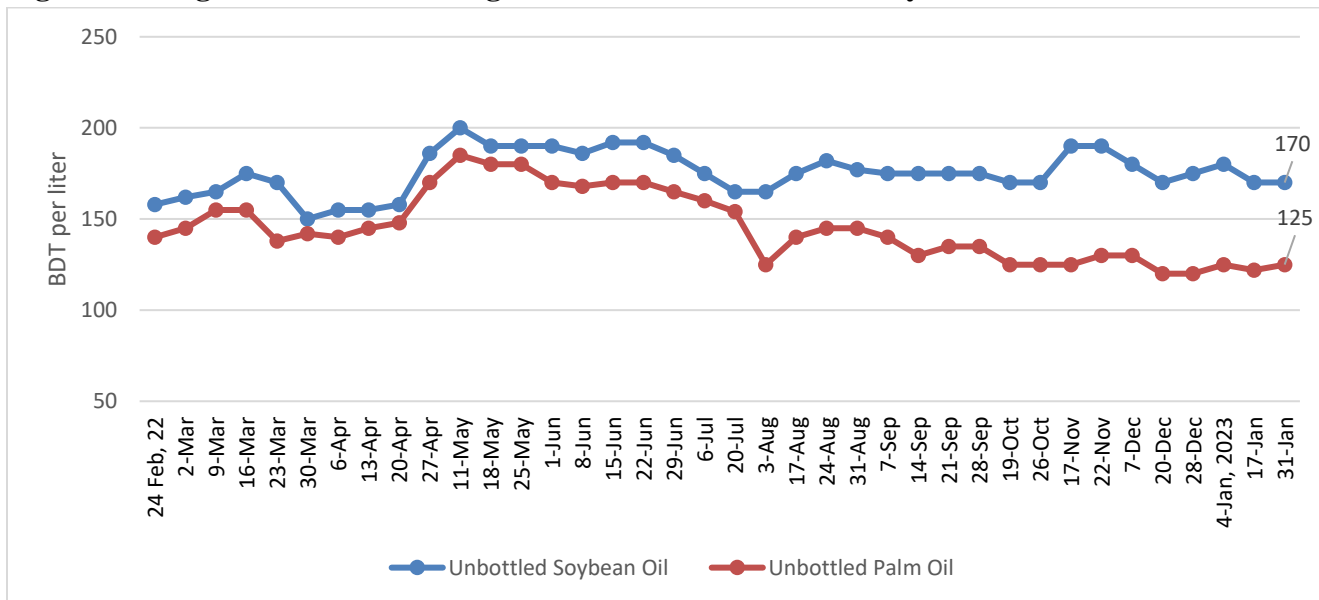
Source: Ministry of Food

Edible Oil Prices Remain Steady

This week, the price of unbottled soybean oil remained at BDT 170 (\$1.62) per liter, the same as the previous week. The price of unbottled palm oil rose about 2 percent to BDT 125 (\$1.19) per liter (Figure 4).

Bottled soybean oil and palm oil prices remained at BDT 187 (\$1.78) and BDT 140 (\$1.33) per liter, respectively, equal to the previous week.

Figure 4: Bangladesh – 2022 Average Retail Price of Unbottled Soybean Oil and Palm Oil



Source: TCB

Prices of Other Commodities

- Average retail price of sugar increased to BDT 120 (\$1.14) per kilogram, up more than 4 percent from the previous week.
- Average retail price of lentils remained at BDT 140 (\$1.33) per kilogram, the same as last week.
- Average beef prices remained at BDT 700 (\$6.80) per kilogram but are up about 17 percent from the same period last year.
- Average price of eggs increased to BDT 135 (\$1.29) per dozen, up about 10 percent from the previous week.

Further Background

Agricultural and food commodity prices first began rising in September 2021 due to the COVID-19 pandemic. In January 2023, prices were still high, exacerbated by the Russian invasion of Ukraine, resulting supply disruptions, the appreciation of the U.S. dollar, and high inflation. Price volatility is affecting the food security of poor and middle-income consumers in both urban and rural areas.

Bangladesh depends on India for its rice and wheat imports, followed by Canada, Russia, Ukraine, and Australia. Combined, Russia and Ukraine account for approximately 25 percent of Bangladesh's total wheat imports. Due to India's ban on wheat exports since May 2022 and the Russian invasion of Ukraine, Bangladesh is only able to import half of its monthly required wheat from alternative sources, resulting in high domestic wheat flour prices. In addition, Bangladesh is now facing a foreign currency crisis and according to contacts, many banks have stopped opening some letters of credit, including for commodity imports. This has led to the short supply of some staple goods in the market.

Attachments:

No Attachments.